(261) Mr Smith NEA/IAI SOC-11

DEPARTMENT OF STATE
Washington, D.C. 20520

RM 6247

July 20, 1977 (78?)

TO: NEA/EGY - Mr. Kennedy
NEA/IAI - Mr. Smith
AF/E - Mr. Garland
AF/E - Mr. Castrodale

FROM: EB/IFD/OMA - Brian G. Crowe BGC

SUBJECT: Annual Claims Report

Treasury is in the process of updating its annual claims report for submission to Congress. Attached are the entries proposed for Egypt, Israel, Madagascar and Ethiopia. Request your comments and/or clearance on the Treasury draft for your respective countries.

A copy of the 1977 claims report is also attached for your information.

Attachments:

As Stated

MMD This is in your baliwick, but lets talk briefly. Then it has to be cleared with Mike Pelay.

OK mdean

see Pelay clearance on basic text in Senator Hoffman letter of July 25 re Liberty.

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [illegible] DATE 1/10/83
[illegible] NO/EXCEPTIONS, DATE
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Department of State

OUTGOING TELEGRAM

NEA

PAGE 01 STATE 043537 7648

ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 /026 R

DRAFTED BY NEA/IAI:MGANDERSON:VBJ
APPROVED BY NEA:ALATHERTON,JR.
NEA/IAI:WBSMITH II
L:MBFELDMAN
L/C:FAKHIATEK
S/S-O:SVALERGA
NEA:NAVELIOTES

USS Liberty

~~AAGP~~

1978

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P 180340Z FEB 78
FM SECSTATE WASHDC
TO AMEMBASSY TEL AVIV PRIORITY

C O N F I D E N T I A L STATE 043537

EXDIS

E.O. 11652:GDS

TAGS: MILI, IS, US

SUBJECT: SS LIBERTY CLAIM

REF: (A) USDEL CAIRO 0019, (B) STATE 7098, (C) TEL AVIV 474

1. U.S. CLAIM AGAINST ISRAEL FOR $7.6 MILLION IN DAMAGES TO USS LIBERTY LAST RAISED BY AMBASSADOR WITH EVRON ON JANUARY 11 (REF C). IN ABSENCE OF RESPONSE FROM GOI, REQUEST AMBASSADOR RAISE MATTER ONCE AGAIN WITH EVRON.

2. AMBASSADOR SHOULD SAY THAT HE HAS BEEN INSTRUCTED TO DELIVER FORMAL NOTE STATING U.S. CLAIM FOR COMPENSATION AND ASKING FOR FORMAL NEGOTIATIONS LEADING TO SETTLEMENT. DEPARTMENT, AND AMBASSADOR PERSONALLY, WOULD PREFER TO AVOID MAKING FORMAL APPROACH, BUT IF GOI CAN PROVIDE NO OTHER SUGGESTIONS ON HOW MATTER MIGHT BE HANDLED, THIS APPEARS TO BE ONLY COURSE OF ACTION OPEN TO USG.

3. YOU SHOULD INFORM EVRON THAT YOU HAVE CERTAIN AMOUNT OF LEEWAY IN TERMS OF WHEN NOTE MUST BE DELIVERED MFA, BUT IT WOULD NOT BE POSSIBLE TO DELAY DELIVERY LONGER.

4. TEXT OF NOTE TO BE DELIVERED TO MFA, IF NO SATISFACTORY RESPONSE IS RECEIVED FROM EVRON, FOLLOWS:

5. BEGIN TEXT: THE GOVERNMENT OF THE UNITED STATES OF AMERICA PRESENTS ITS COMPLIMENTS TO THE GOVERNMENT OF ISRAEL AND DRAWS ITS ATTENTION TO THE OUTSTANDING CLAIM OF THE UNITED STATES AGAINST ISRAEL FOR $7.6 MILLION IN COMPENSATION FOR PHYSICAL DAMAGES TO THE USS LIBERTY. THESE DAMAGES WERE INCURRED AS A RESULT OF AN ATTACK BY THE ARMED FORCES OF ISRAEL ON THE SHIP AS IT LAY IN INTERNATIONAL WATERS ON JUNE 8, 1967.

- PROMPTLY FOLLOWING THE ATTACK, THE GOVERNMENT OF ISRAEL INFORMED THE UNITED STATES GOVERNMENT THAT IT ASSUMED RESPONSIBILITY FOR THE ATTACK AND WAS PREPARED TO MAKE AMENDS FOR THE LOSSES, HUMAN AND MATERIAL, WHICH RESULTED.

- ALTHOUGH THE GOVERNMENT OF ISRAEL HAS SATISFACTORILY COMPENSATED THE VICTIMS OF THE ATTACK AND THEIR SURVIVORS, THE CLAIM FOR DAMAGES TO THE SHIP ITSELF, PRESENTED TO THE GOVERNMENT OF ISRAEL ON JULY 1, 1968, HAS YET TO BE SATISFACTORILY SETTLED.

STATE 043537

- IN VIEW OF THE LONG PASSAGE OF TIME SINCE THE CLAIM WAS PRESENTED AND THE LACK OF A SATISFACTORY RESPONSE ON THE PART OF THE GOVERNMENT OF ISRAEL, THE DEPARTMENT OF STATE HEREBY REQUESTS THAT NEGOTIATIONS BE COMMENCED LEADING TO A PAYMENT BY THE GOVERNMENT OF ISRAEL OF A SUM SUFFICIENT TO COVER THE DAMAGES TO THE SHIP.

- THE GOVERNMENT OF THE UNITED STATES, COGNIZANT OF THE CLOSE AND WARM RELATIONS BETWEEN IT AND THE GOVERNMENT OF ISRAEL, FEELS THAT IT IS IN THE INTEREST OF BOTH GOVERNMENTS TO SETTLE THIS LONG-STANDING DISPUTE WHICH PERIODICALLY TROUBLES RELATIONS BETWEEN OUR TWO COUNTRIES.

- IN THE AMICABLE SPIRIT THAT HAS ALWAYS CHARACTERIZED RELATIONS BETWEEN THE UNITED STATES AND ISRAEL, WE LOOK FORWARD TO AN EARLY RESPONSE FROM THE GOVERNMENT OF ISRAEL SUGGESTING A TIME AND PLACE FOR NEGOTIATIONS TO BEGIN LEADING TO THE SETTLEMENT OF THIS CLAIM. (REGULAR DIPLOMATIC NOTE CLOSING). END TEXT. VANCE

ACTION COPY

Part 2 dtd. #201

E.O. 12356 REVIEW
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Cat. A - Caption removed; transferred to O/FADRC
Cat. B - Transferred to O/FADRC with additional access controlled by S/S
Cat. C - Caption and custody retained by S/S
Reviewed by: [signature]
Date: 23 Dec 19 82

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INCOMING TELEGRAM

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ACTION SS-25

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R 230701Z FEB 78
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TO SECSTATE WASHDC 1415

C O N F I D E N T I A L TEL AVIV 2440

EXDIS

E.O. 11652: GDS
TAGS: MILI, IS, US
SUBJECT: SS LIBERTY CLAIM

REF: STATE 43537

1. WHEN I DISCUSSED THE SS LIBERTY CLAIM INFORMALLY WITH EVRON FEBRUARY 21, HE SUGGESTED THAT I DELIVER THE FORMAL NOTE TO HIM RATHER THAN WAIT. THE PROBLEM IS BOGGED DOWN IN GOI INTER-AGENCY BUCK-PASSING, AND EVRON SAID HE WOULD PREFER TO HAVE THE NOTE NOW TO HELP BREAK THE LOGJAM.

2. ACCORDINGLY, WE HAVE DELIVERED THE NOTE AS CONTAINED IN PARA FIVE OF REF TO THE MFA TODAY, FEBRUARY 22.

3. EVRON SAID THAT HE HOPED WE COULD INDEED NEGOTIATE OVER THE AMOUNT OF THE CLAIM AND THAT THE FIGURE WE HAVE CITED WOULD NOT BE A TAKE-IT-OR-LEAVE-IT PROPOSITION. I RESPONDED THAT THE TEXT OF THE NOTE I WAS INSTRUCTED TO DELIVER ASKED FOR AGREEMENT TO COMMENCE "NEGOTIATIONS," WHICH I INTERPRETED AS MEANING THE AMOUNT MIGHT INDEED BE NEGOTIABEL. HOWEVER, I MADE CLEAR I HAD NO INSTRUCTIONS OTHER THAN TO PRESENT THE NOTE AS DRAFTED.

4. SINCE EVRON WAS MINISTER AT THE ISRAELI EMBASSY IN WASHINGTON WHEN THIS UNHAPPY EVENT OCCURRED, HE HAS PERSONALLY BEEN INVOLVED FROM THE BEGINNING AND WOULD LIKE NOTHING BETTER THAN TO RESOLVE THE CLAIM ONCE AND FOR ALL. APPARENTLY, THERE REMAINS CONSIDERABLE RESISTANCE SOMEWHERE IN THE GOI TO PAYING COMPENSATION FOR THE PHYSICAL DAMAGE TO THE SHIP. HOWEVER, I FEEL HOPEFUL THAT WE CAN ENTER INTO FORMAL NEGOTIATIONS IN THE NEAR FUTURE ON THE BASIS OF THE NOTE.
LEWIS

NEA

~~AAGA~~

ACTION ERDR

Liberty File 1978

Part 2 dec. # 261

Eldis
~~Declassified~~ REVIEW
Cat A. ~~Caption removed;~~ transferred to O/FADRC
Cat B. Transferred to O/FADRC with additional access controlled by S/S
Cat. C. Caption and custody retained by S/S
Reviewed by: Lou Brayton
Date: 23 Dec 1982

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OUTGOING TELEGRAM

PAGE 01 STATE 163012 7613

ORIGIN L-03

INFO OCT-01 NEA-11 ISO-00 DODE-00 TRSE-00 OMB-01
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DRAFTED BY L/NEA:DHSMALL:MJR
APPROVED BY L/NEA:DHSMALL
NEA/IAI - MR. ANDERSON
NAVY:NAVSEA:941 - CAPT. HAYMAN
L/C - MR. KWIATEK

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C O N F I D E N T I A L STATE 163012

E.O. 11652: GDS

TAGS: MILI, IS, US

SUBJECT: U.S.S. LIBERTY CLAIM

REF: TEL AVIV 6899

DEPARTMENT AGREEABLE TO NEGOTIATIONS IN JERUSALEM ON U.S.S. LIBERTY CLAIM. LATE AUGUST OR EARLY SEPTEMBER WOULD BE REALISTIC TARGET, BUT WE UNABLE TO PROVIDE FIRMER SUGGESTIONS ON DATE UNTIL WORK IS FURTHER ADVANCED ON REASSEMBLING TECHNICAL SUPPORTING DATA ON THE CLAIM CLAIMED. WOULD CONTEMPLATE PROVIDING LEGAL ASSISTA[illegible] STATE AND TECHNICAL ASSISTANCE ON VESSEL DAMAGE FROM [illegible]TY, FOR OPENING ROUND OF DISCUSSIONS. VANCE

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INCOMING TELEGRAM

6539

PAGE 01 TEL AV 05887 041638Z
ACTION TRSE-00

INFO OCT-01 NEA-11 ISO-00 EB-08 L-03 OMB-01 JUSE-00
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FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC 2957

UNCLAS TEL AVIV 5887

E.O. 11652: N/A
TAGS: EFIN, IS
SUBJECT: DATA FOR ANNUAL CLAIMS REPORT

REF: STATE 103865

1. A. DATE OF CLAIM - JULY 1, 1968
B. AMOUNT OF CLAIM - $7.6 MILLION
C. THIS CLAIM BY THE US GOVERNMENT AGAINST THE GOVERNMENT OF ISRAEL IS FOR COMPENSATION FOR PHYSICAL DAMAGES TO THE USS LIBERTY BY THE ARMED FORCES OF ISRAEL ON THE SHIP AS IT LAY IN INTERNATIONAL WATERS ON JUNE 8, 1967.
D. SINCE SUBMISSION OF THE LAST REPORT ON THIS CLAIM TO THE CONGRESS, US EMBASSY TEL AVIV HAS TAKEN THE FOLLOWING ACTIONS IN PURSUIT OF THIS CLAIM:
--ON FEBRUARY 21, 1978, AMBASSADOR LEWIS DISCUSSED THE MATTER WITH THE DIRECTOR GENERAL OF THE ISRAELI MINISTRY OF FOREIGN AFFAIRS (SEE TEL AVIV 43537).
--ON FEBRUARY 22, 1978, A DIPLOMATIC NOTE WAS PRESENTED TO THE GOI.
--ON APRIL 27, 1978, AMBASSADOR LEWIS RAISED THE MATTER WITH THE ATTORNEY GENERAL OF THE GOI, AHARON BARAK, TO WHOM THE MATTER HAD BEEN REFERRED BY THE FOREIGN MINISTRY. ACCORDING TO BARAK, HE AND THE FOREIGN MINISTRY HAVE AGREED THAT AN AFFIRMATIVE RESPONSE SHOULD BE MADE TO OUR NOTE OF FEBRUARY 22 AND THAT CONCURRENCE IS NOW BEING SOUGHT FROM THE MINISTRIES OF DEFENSE AND FINANCE TO NEGOTIATE A SETTLEMENT OF THE CLAIM WITH US.

2. THE EMBASSY WILL CONTINUED TO PURSUE THE MATTER AND IS OPTIMISTIC THAT FURTHER PROGRESS WILL BE MADE BEFORE THE DEPARTMENT'S REPORT TO THE CONGRESS ON SEPTEMBER 30, 1978. WE WILL UPDATE THIS REPORT ACCORDINGLY.

3. WE HAVE NOT YET RECEIVED A COPY OF THE 1977 REPORT AS MENTIONED IN PARA 2 OF REFTEL.
LEWIS

Liberty

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DEPARTMENT OF STATE

Washington, D.C. 20520

April 25, 1978

TO: Ambassador Lewis

FROM: NEA/IAI - Michael G. Anderson

SUBJECT: USS Liberty Damage Claim Negotiations

Sam: This is just a tickler in case you get a chance to talk with Barak about where the GOI stands on commencing negotiations for a settlement of this claim. The attached cables and your memory of discussions on this subject should provide the necessary background.

Attachments:
1. Tel Aviv 2440
2. State 043537

Drafted:NEA/IAI:MGAnderson:lhw
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INCOMING TELEGRAM

PAGE 01 TEL AV 06899 311554Z 0617

ACTION TRSE-00

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FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC 3381

UNCLAS TEL AVIV 6899

E.O. 11652: N/A
TAGS: MILI, IS, US
SUBJECT: U.S.S. LIBERTY CLAIM

REF: (A) TEL AVIV 5887 (B) STATE 103865

1. THE EMBASSY HAS RECEIVED THE FOLLOWING FOREIGN MINISTRY NOTE DATED MAY 25, 1978:

QUOTE.

THE MINISTRY OF FOREIGN AFFAIRS PRESENTS ITS COMPLIMENTS TO THE EMBASSY OF THE UNITED STATES OF AMERICA AND HAS THE HONOUR TO REFER TO THE EMBASSY'S NOTE OF 22 FEBRUARY CONCERNING THE REQUEST FOR COMPENSATION FOR PHYSICAL DAMAGE TO THE U.S.S. LIBERTY.

THE MINISTRY OF FOREIGN AFFAIRS APPRECIATES THE ACKNOWLEDGMENT BY THE EMBASSY THAT THE GOVERNMENT OF ISRAEL HAS IN FACT SATISFACTORILY COMPENSATED THE VICTIMS OF THE ATTACK AND THEIR SURVIVORS. THE MINISTRY OF FOREIGN AFFAIRS FURTHER SHARES THE COGNIZANCE OF THE CLOSE AND WARM RELATIONS BETWEEN THE TWO GOVERNMENTS AND THE KNOWLEDGE THAT IT IS IN THE INTEREST OF BOTH GOVERNMENTS TO SETTLE THIS LONG STANDING DISPUTE.

IN ORDER TO ATTEMPT TO REACH AN AMICABLE SETTLEMENT, WHILE RESERVING ISRAEL'S LEGAL POSITION IN THE MATTER, AN ISRAEL NEGOTIATING TEAM HAS BEEN APPOINTED WITH INSTRUCTIONS TO ENDEAVOUR TO NEGOTIATE SUCH A SETTLEMENT.

WE WOULD SUGGEST THAT THE NEGOTIATIONS TAKE PLACE AT THE MINISTRY OF FOREIGN AFFAIRS IN JERUSALEM AND WOULD WELCOME IT IF THE EMBASSY COULD SUGGEST ALTERNATIVE DATES THAT WOULD BE CONVENIENT TO THE U.S. REPRESENTATIVES.

THE MINISTRY OF FOREIGN AFFAIRS AVAILS ITSELF OF THIS OPPORTUNITY TO RENEW TO THE EMBASSY OF THE UNITED STATES OF AMERICA THE ASSURANCES

OF ITS HIGHEST CONSIDERATION. END QUOTE.

2. EMBASSY WOULD APPRECIATE DEPARTMENT'S REACTION TO GOI PROPOSAL THAT NEGOTIATIONS TAKE PLACE IN JERUSALEM AND SUGGESTIONS ON DATES WHICH WE WOULD FIND CONVENIENT. EMBASSY IS PREPARED TO ASSUME MAJOR NEGOTIATING RESPONSIBILITY, IF DEPARTMENT WISHES, PROVIDED THAT WASHINGTON CAN SUPPLY DETAILED NEGOTIATING INSTRUCTIONS PLUS LEGAL AND TECHNICAL TDY ASSISTANCE. PLEASE ADVISE.
LEWIS

0311530Z MAY 78

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